

City of Harlan Insurance Committee - March 28, 2016

The City of Harlan Insurance Committee met at 11:30 a.m., Thursday, March 10, 2016 in the City Council Chambers. Chairperson Sharon Kroger called the meeting to order. The following members were:

Present: City: Chairperson Sharon Kroger, Greg Bladt and Dave Miller

HMU: Terry Arentson and Ken Weber voting for Mike Jones

Absent: Mike Jones

Also Present: Terry Cox, Pam Meurer, Jenney Kelly, Jane Smith, Carolyn Rebel, Steve Gessert, Brent Scheve, Mayor Gene Gettys, Mike Kolbe, Mike Hadfield, Gloria Soll and Jana Belle

It was moved by Arentson and seconded by Bladt to approve the agenda. The motion carried unanimously.

No conflicts of interest were stated.

Carolyn Rebel, IGHCP representative, distributed the Dental Plan Alternates and discussed the current plan as well as three other options available. The Current Plan renewal is projected to increase 8%. Option 1 would reflect no change in benefit maximums or frequency, but would allow coverage for implants with crowns. The cost impact would be 2-3% on top of the renewal. Option 2 would increase the total annual maximum benefit per person per year from \$1000 to \$1500. It does not reflect coverage for implants with crowns. The cost impact would be about 10% on top of the 8% renewal. Option 3 would reduce the 24-month pre-existing clause on major services to a 12-month pre-existing clause. There would not be a cost impact above the 8% increase. It was moved by Miller and seconded by Bladt to modify the existing dental coverage by approving Option 1, to add dental implant coverage with a 2-3% cost impact in addition to the 8% renewal, and to change the 24-month pre-existing clause to 12-months. The motion carried unanimously.

Carolyn stated that, due to EBS switching software vendors, it caused a delay in getting claims paid for the month of February. The software is now fixed and claims are getting paid within a couple of weeks.

It was moved by Arentson and seconded by Miller to approve the renewal of Health, Dental and Short Term Disability insurance effective 7/01/16. The motion carried unanimously.

At the last Insurance Committee meeting, the City was advised that the current life insurance carried for the City and HMU was anticipating a substantial premium increase. IGHCP and The Agency were tasked with going for bids for the Life, AD&D and LTD insurance. Carolyn presented Life, AD&D and Long Term Disability cost analysis from five companies who submitted bids. They were Lincoln Financial, Principal, Reliance, Mutual of Omaha and Standard. Each company revealed slightly different maximum benefit periods, benefit amounts, definitions of disability and/or age reductions benefits, but all used the same volume rate amount. Carolyn's recommendation was Mutual of Omaha, with the notation that Mutual of Omaha's bid includes a packaging of services to offer dependent coverage at the employee's cost through payroll deduction.

Brent Scheve with The Agency and Jana Belle with Group Benefits Ltd., presented Life, AD&D and Long Term Disability cost analysis from four companies who submitted bids. They were Lincoln Financial, Reliance, Principal and Hartford. Mutual of Omaha declined a request to quote, due to the fact that another broker (IGHCP) had already requested one. The quotes were very comparable to the previous amounts presented. Jana's recommendation was Reliance, and noted that Reliance does not require packaging with dependent coverage options.

Due to the large amount of information provided, it was suggested to table a decision for 10 days, to allow time for the Committee to review the materials presented.

It was agreed upon to schedule the next meeting for Friday, April 8th, at 12:00 noon.

There being no further business, the meeting adjourned.